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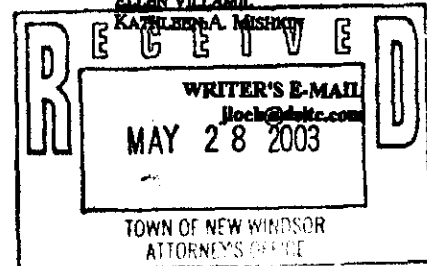
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May 28, 2003

Planning Board
Town of New Windsor
555 Union Avenue
New Windsor, NY 12553

Dear Board Members:

Re: Our File #08854-48958

I am writing to you in connection with the application before you for approval of the Stewart Terrace Military Housing project on Lot 2 of the Subdivision of Lands of the United States of America located at the end of Clark Street Extension and the approval of the Market Rate Housing being developed by Windsor Gardens LLC on Lot 1 of that same subdivision, as well as the subdivision itself.

The applicant is before this Board this evening seeking conditional final approval of the two site plans and the two lot subdivision. The applicant submitted to the Town a change to the Market Rate Housing site plan. The amended plan was reviewed by the Town's consulting engineer, Mark J. Edsall, P.E. I understand that Mr. Edsall found the proposed changes acceptable.

The remaining issue is the conclusion of the two pilot agreements providing for payments in lieu of taxes. All of the terms of the two pilots have been agreed upon by the Town and by GMH. The amount of money to be paid initially when the plans are signed has been agreed upon.

In the case of the Military Housing project the site inspection improvement fee must be paid at the time the plan is signed. In addition to that at the time of an application for a demolition permit and a building permit the fees required by the Town must be paid. Commencing on May 15, 2004 and continuing thereafter for 49 additional annual payments, the pilot agreement on the Military side requires an annual payment on the water district bonds as well as annual recreation fees. Those payments are subject to an increase commencing with the May 15, 2005 payment as the CPI increases.

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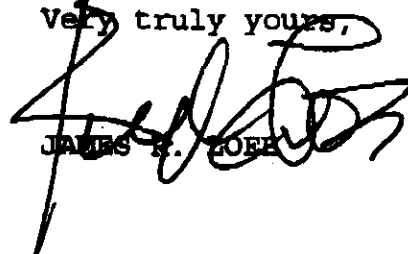
In the case of the pilot for the Market Rate units, at the time the plan is signed the site plan improvement inspection fee must be paid as well as the park and recreation fee in the amount of \$396,000.00. Demolition permit fees and building permit fees must be paid at the time those permits are applied for. Starting on May 15, 2005 and continuing thereafter for an additional 48 years, there are annual pilot payments initially in the amount of \$75,000.00, increasing to \$215,000.00 in 2006 and ultimately to \$300,000.00 in 2007. Commencing with the 2008 payment and thereafter the payments are subject to an increase based upon the CPI.

At the time the plans are signed appropriately executed pilot agreements will be delivered to the Town along with an opinion of counsel from the applicant's counsel together with the required payments.

In addition, at the time the plans are signed, the applicant must provide the Town with a certificate of allocation for the required sewage treatment capacity.

Based upon the foregoing I would ask that the Planning Board grant conditional final approval at this time.

Very truly yours,



JAMES R. LOEB

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